Utah Office of Tourism

2010 Non-Winter Advertising Effectiveness Wave 2 ROI

December 2010

Strategic Marketing & Research, Inc.

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Background & Objectives

The Utah Office of Tourism (UOT) aims to bring travelers to the state by reaching targeted consumers with effective advertising. Travelers have many options and influencing their travel decisions is a difficult job considering the always-competitive travel environment and, more recently, the economic recession. However, the U.S. economy is showing some signs of recovery, which could begin to bring travel behaviors back to "normal" and have an impact on the results of this research.

Advertising campaigns have many components that can influence performance, such as the creative execution, the media used, the markets targeted, the money invested, and so on. An effective advertising campaign will reach the target audience, break through the clutter, deliver a relevant and persuasive message, build interest in visiting, and ultimately motivate visitation and generate visitor expenditures.

UOT partners with SMARI to measure the effectiveness of its marketing efforts

Given the effort UOT puts into generating travel to the state, it is important to track the effectiveness of the organization's marketing efforts. Thus, UOT partners with Strategic Marketing and Research, Inc., (SMARI) to conduct research to quantify the impact of its marketing efforts and identify ways to enhance future efforts. The research is conducted in two waves – an awareness wave and a return on investment wave.

The first wave of research was completed in July 2010. It focused on the reach of the campaign, its effectiveness in communicating intended messages, and ad impact on perceptions and planning. This wave of research quantifies the level of travel attributable to the state's marketing efforts, or "incremental travel." The specific informational objectives of this research are:

- Assessing the current travel environment;
- Reviewing the results of the Wave 1 research;
- Evaluating the impact of the marketing campaign on generating incremental visits to Utah;
- Reviewing visitor/trip specifics including expenditures;
- Gauging the economic impact generated by these incremental trips;
- Determining the ROI and tax ROI;
- Exploring possible reasons for change in performance;
- Evaluating media performance;
- Assessing individual market performance to guide future media placement strategy; and
- Providing conclusions and recommendations relative to the UOT's marketing efforts.

Methodology

SMARI's research methodology is based on how consumers make travel decisions. The table below outlines each step of the process and the measure used to evaluate the effectiveness of a destination's marketing efforts. The first wave of research detailed the first four steps of the process through measures of advertising awareness, creative evaluation, campaign impact on perceptions, and campaign impact on interest in visitation. This wave of research focuses on the final step: measuring the level of travel directly attributable to the advertising campaign, or incremental travel.

SMARI's methodology is based on how consumers make travel decisions

Influence Process		Measure
Exposure	⟹	Advertising Awareness
Messaging	⟹	Creative Evaluation
Shift in Attitudes	⟹	Campaign Impact on Perceptions
Build Interest	⟹	Campaign Impact on Interest in Visitation
Generate Travel	⟹	Incremental Travel

Wave 1 data was collected between April 29 and June 22, 2010 – during the time the ads were in circulation. Key measures were tracked during this time and dashboard reports were delivered on a bi-weekly basis. Wave 2 data was collected between November 19 and December 1, 2010 – after the ads had time to influence travel.

Market	Completed Surveys
Denver	511
L.A.	810
Las Vegas	404
National	454
Total	**2,179**

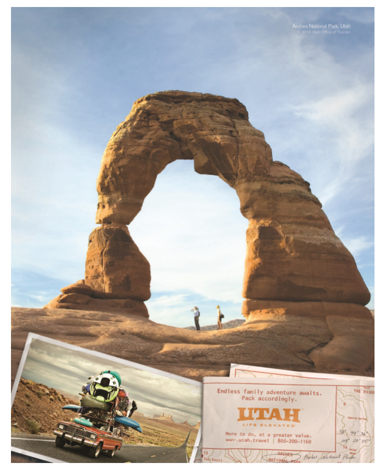
UOT utilizes national cable advertising as well as spot television advertising in selected markets. The spot markets include Denver, Los Angeles and Las Vegas. Las Vegas is a new spot market, replacing the Phoenix market. The survey was administered to qualified respondents in each spot market as well as nationally. Respondents were screened to be responsible for travel planning in their household and to have taken at least one overnight leisure trip in the past year at least 50 miles from home. In total, 2,179 interviews were completed. The National market includes the entire U.S. excluding Los Angeles, Las Vegas and Denver DMAs.

The impact of the advertising is evaluated by comparing unaware and aware target households

The basis of this research is the assumption that the impact of the advertising can be assessed by comparing the attitudes and behavior of those who have not seen the advertising to those who have. For this to work, it is necessary to get an accurate assessment of advertising recall. Thus, SMARI utilizes an online survey that allows the respondents to view the ads used in the campaign.

Upon completion of the data-collection process, an SPSS dataset was compiled for analysis. The survey results were weighted to be representative of the traveling populations of each market. The following report details the key findings from this research. A copy of the questionnaire and the ads appear in the Appendix.

The Advertising Campaign



The campaign's ability to influence travel depends a great deal on the message delivered, the media employed, and the money spent. As such, a review of the creative materials, media used, and campaign investment provides the necessary context for interpreting the results of this research.

The 2010 Utah non-winter campaign included print, television and online advertising. The television ads aired on national cable from April 12th to May 16th. Spot television advertising was also utilized to supplement national cable efforts in geographically significant markets (Denver, Las Vegas and L.A.). Las Vegas is a new spot market this year. The spot TV ads aired in Denver and Las Vegas from April 12th to May 2nd and in L.A. from April 26th to May 16th. Print began circulation in March and ran through August. The online ads were placed from early April through June

The objectives of the 2010 non-winter advertising campaign were to promote awareness of Utah as a premier, year-round vacation destination, drive traffic to the Utah.travel website, and of course influence Utah travel. The themes of the ads are "endless adventure" and "more to do and a better value."

The television and online creative used for the 2010 campaign is the same that was used last year, but some ads were removed (the 2010 campaign includes two TV ads and five online ads compared to three TV ads and eight online ads used last year). It is important to note that two of the online ads removed from the campaign are the video ads "Road Trip," and "What's Next," which resemble the television ads and helped to boost online awareness last year. The 2010 print ads use the same visuals as last year, but a message about dining and lodging options was added and fewer print ads were put into circulation (four this year vs. six last year). UOT reduced media spending by 23% compared to 2009, marking the second year in a row for a notable decrease.

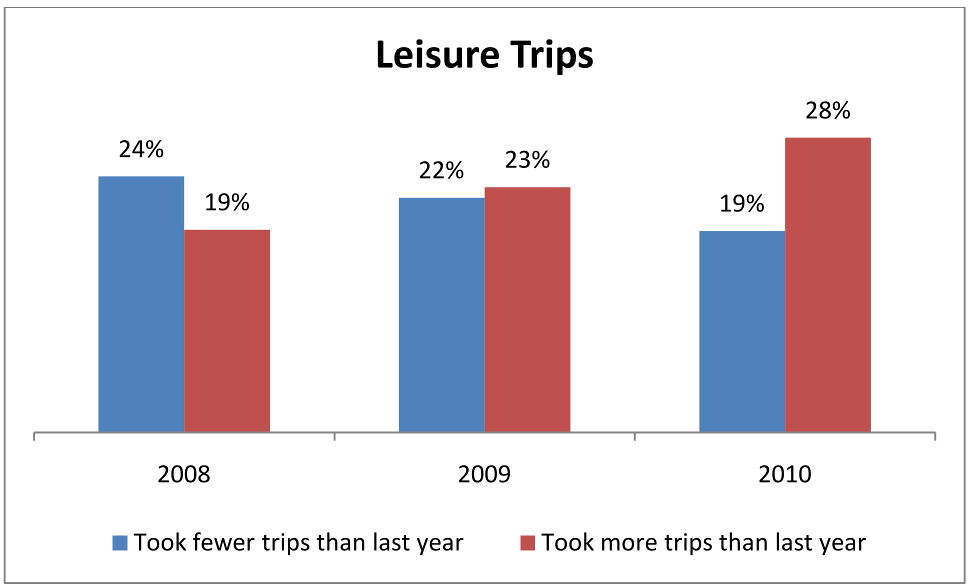
Media	2008 Net	2009 Net	2010 Net	Change from previous year
National Cable TV	$1,883,372	$1,600,015	$1,468,500	-8%
Spot TV	$883,037	$636,535	$262,935	-59%
Total TV	**$2,766,409**	**$2,236,550**	**$1,731,435**	**-23%**
Print	$472,063	$340,000	$228,292	-33%
Online	$225,250	$175,575	$199,000	13%
Total Net	**$3,463,722**	**$2,752,125**	**$2,158,727**	**-22%**
Agency Fees & ATR	$462,192	$423,714	$235,656	-44%
Total	**$3,925,914**	**$3,175,839**	**$2,394,383**	**-25%**

Overall ad spending was reduced by 25% compared to last year

Travel Environment

Besides the controllable campaign variables such as media spending, creative execution, and markets targeted, the ultimate impact of tourism advertising can be influenced by external variables such as an economic recession. The economy has certainly had an impact on leisure travel over the past couple of years, as people were traveling less, spending less, traveling closer to home, or cutting our travel altogether.

Now that the U.S. economy is showing signs of recovery, there is evidence that people are starting to travel more. In fact, this year there are significantly more consumers indicating an increase in leisure travel than there are consumers who indicate decreasing leisure travel. This marks a key shift in the trends observed over the past two years. Additionally, in other studies SMARI has observed that travelers are resuming visits to destinations that are farther from their homes.



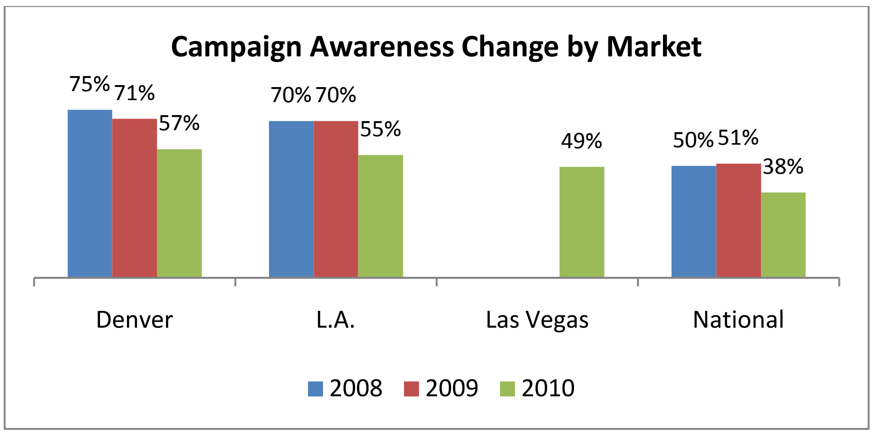
People are starting to travel more and visiting more distant locales, but are also still likely seeking value

The 2009 UOT campaign was well-positioned to influence travel in a recession given the use of a value message and the promotion of inexpensive activities such as visiting national parks, which led to a strong ROI. This year, as people are starting to travel more but are still likely seeking value, we would expect the advertising to have another strong impact.

Wave 1 Review

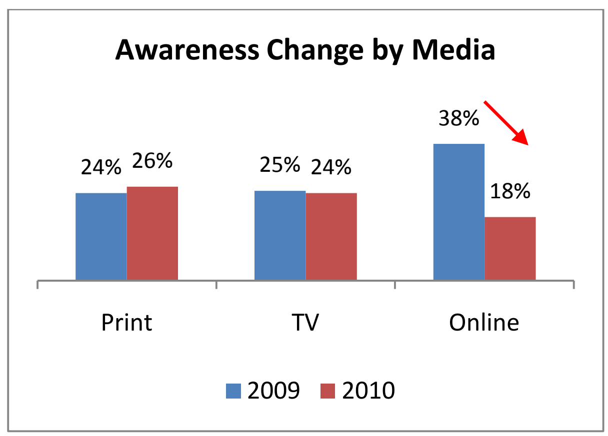
Awareness

Campaign awareness dropped significantly compared to 2009 in all target markets. Even with reduced spending, the drop was somewhat surprising given the use of the same ads as in 2009 (which means the target audience has had two years to see them). Reviewing the awareness change by individual media helped to diagnose the decline.



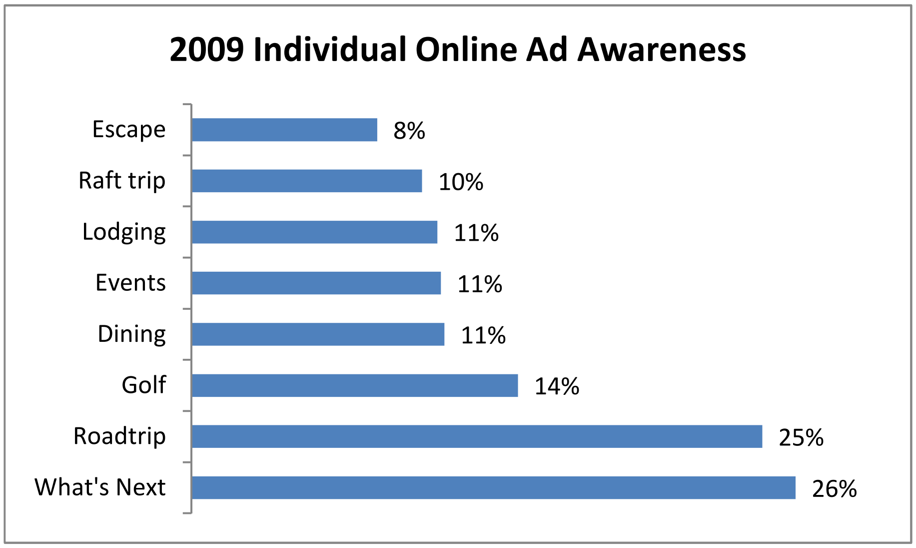
Overall awareness declined notably, driven by a drop in online awareness

It became clear that the 2010 campaign awareness decline was attributable to a significant drop in online recall. Print and television awareness actually remained fairly stable. The online awareness decline was somewhat disconcerting considering it is the only media to receive increased spending, but further exploration showed the decline is related to removing specific online ads.



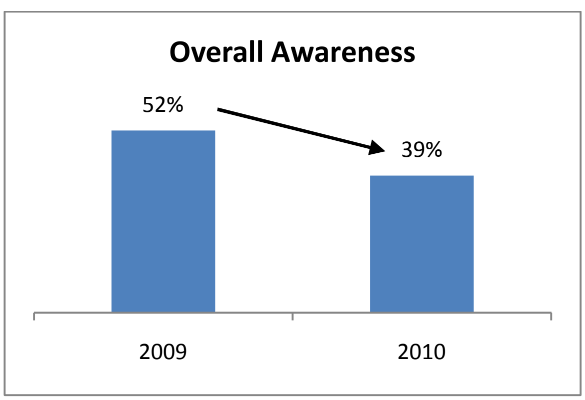
In 2009, significantly higher awareness of the online *video* ads “What’s Next” and “Road Trip” drove overall online awareness up. Given that these two ads were video format and resembled the television ads might suggest that there was some confusion and people who saw the TV ads mistakenly said that they saw the online video ads. However, almost half of those who saw the online video ads were not aware of the TV ads – so it is not completely a case of mistaken identity.

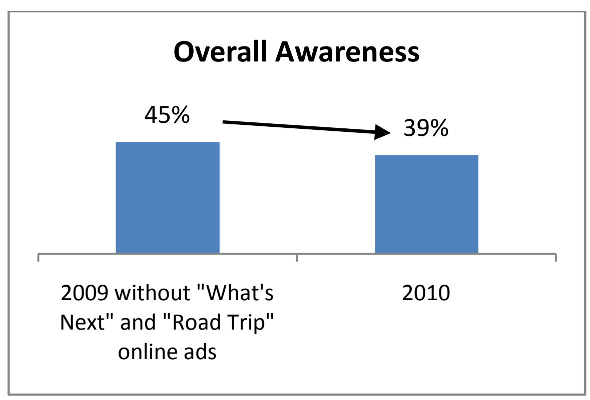
SMARI has observed this same phenomenon in research for other destinations that use online video ads. The Internet is becoming more cluttered and banner ads are becoming more ubiquitous, so a unique online video ad is more likely to break through.



Removing the memorable online video ads caused the awareness decline

When considering all markets and all media, overall awareness declined significantly compared to 2009 (52% to 39%). However, when the online ads "What's Next" and "Road Trip" are taken out of the 2009 campaign, the awareness decline is not as drastic (45% to 39%), and more in line with what could be expected given the spending cut.





Another year-to-year comparative measure is the cost to reach an aware household. Cost-per-aware household is the amount that UOT spent to generate one target household that recalled the advertising. This calculation "normalizes" the data relating to both the media expenditures and the size of the target audience. The table shows that UOT generated fewer aware households this year, but lower media expenditures resulted in a cost-per-aware household equivalent to 2009.

The 2010 campaign achieved the same reach efficiency realized by the 2009 campaign – and UOT continues to outperform benchmarks

SMARI has also used its extensive tourism research database to create cost-per-aware household benchmarks. The average cost-per-aware household for a national cable campaign is $0.25, so from this perspective the UOT campaign continues to reach households in a very cost efficient manner.

	2008	2009	2010
Traveling HHs	77,633,354	75,956,806	80,117,113
Awareness	51.7%	52.3%	39.4%
Aware HHs	40,145,434	39,693,070	31,533,301
Net media expenditures	$3,463,722	$2,752,125	$2,158,727
Cost per aware HH	$0.09	$0.07	$0.07

It should be noted that there are more "traveling households" this year than last. The number of traveling households is calculated by multiplying the total household count from the target markets by the percentage who indicate taking at least one leisure trip in the past year. The bump in traveling households is consistent with the recovering economy and increase in leisure travel.

Creative Evaluation

After viewing the ads for Utah and competitive destinations, respondents rated each campaign in terms of effectiveness at communicating intended messages on a 5-point scale. Two groups of attributes were used in the process:

1) **Communication Attributes**, which focus on key messages. Through testing hundreds of destination ads, SMARI finds that a rating of 4.0 or higher on communication attributes indicates excellence. The goal is 3.75 or better, though 3.5 or better is good. A score below 3.0 indicates notable weakness.

2) **Impact Attributes**, which focus on the ability of the message to generate greater interest in visiting the destination from an evaluative perspective (rather than measuring actual behavior resulting from seeing the ads). SMARI has found that it is harder to influence behavior than it is to influence perceptions, so the goal for impact attributes is 3.5.

Communication Ratings

4.0	**Considered Excellent.** Rating is in the top 10% of all communication ratings.
3.75	**Goal Rating.** Resides in the top 25% of all communication ratings
3.5	**Considered Good.** Rating is average compared to historic norms.
3.0	**Notable Weakness.** Rating is in the bottom 15% of all communication ratings.

Impact Ratings

3.7	**Considered Excellent.** Rating is in the top 10% of all impact ratings.
3.5	**Goal Rating.** Resides in the top 25% of all impact ratings
3.3	**Considered Good.** Rating is average compared to historic norms.
3.0	**Notable Weakness.** Rating is in the bottom 15% of all impact ratings.

Given that UOT used the same television creative as last year, it was somewhat surprising to report that *communication* ratings declined across the board. What this suggests is that the television campaign experienced some degree of wear-out. However, the 2010 ratings are still strong, with most attributes receiving at least a "good" rating and none falling below the "weakness" threshold. Additionally, the television ads are still "excellent" at communicating the messages of *scenery*, *landscapes*, and *outdoor adventure*.

	TV Communication Attributes	2009	2010	Difference
2010: Excellent Ratings	With beautiful scenery	4.5	4.3	-0.2
	With dramatic landscapes	4.4	4.3	-0.2
	That has outdoor adventure for all levels	4.2	4.1	-0.1
Goal Ratings	With lots of national parks	4.2	3.9	-0.3
	That is challenging	4.1	3.9	-0.2
	That has something surprising or unexpected	4.1	3.9	-0.2
Good Ratings	That has lots of activities for kids	3.9	3.7	-0.1
	That is elevating	3.9	3.7	-0.2
	That has diverse cultural and historic opportunities	3.6	3.4	-0.1
	That offers high end amenities and services	3.5	3.3	-0.2
	That is luxurious	3.4	3.2	-0.2

Ratings and differences are rounded

Television *impact* ratings also declined from last year, supporting the hypothesis that the ads experienced some wear-out. The ability of the ads to generate interest in learning about and visiting the state are still "good," but they did fall below the "goal" threshold of 3.5. As last year's research also revealed, the lowest impact rating is for generating interest in visiting the website, which again suggests the website call-to-action could be more pronounced in the television ads.

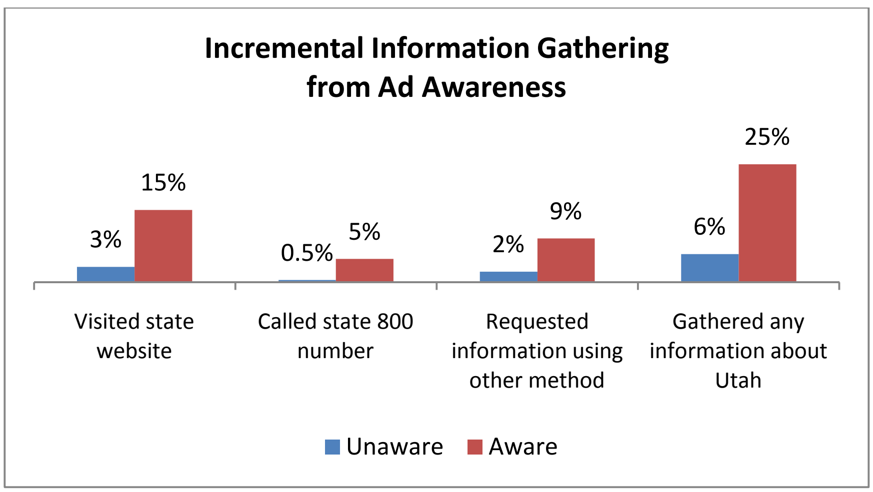
TV Impact Attributes	2009	2010	Difference
Want to learn more about things to see and do in the state	3.5	3.3	-0.2
Want to visit the state	3.5	3.3	-0.3
Want to go to the state website or request a brochure from the state	3.4	3.1	-0.2

Ratings and differences are rounded

Campaigns often air for more than two years and do not experience wear-out. However, the theme and messages of the Utah television ads, coupled with the recent state of the U.S. economy, made for a unique situation in which the ads could lose some of their appeal quickly. The "road trip" theme and value message "more to do at a better value" were well-positioned in 2009 given the U.S. was in the middle of the recession. Now that the economy is showing signs of recovery, the messages might not have resonated as strongly as they did last year. However, these ad ratings are evaluative and measure what people think. The ultimate measure of advertising effectiveness is the impact it has on what people actually do.

Ad Impact on Planning and Likelihood

The 2010 UOT campaign did spur consumers to gather travel information about Utah. The strongest individual impact is on website visitation, which is becoming a first stop for many travel information-seekers as the Internet continues to proliferate. Overall, those who saw the Utah ads were more than four times as likely to gather any information about Utah travel.



While evaluative ratings declined, the ads had a stronger impact on information gathering than last year

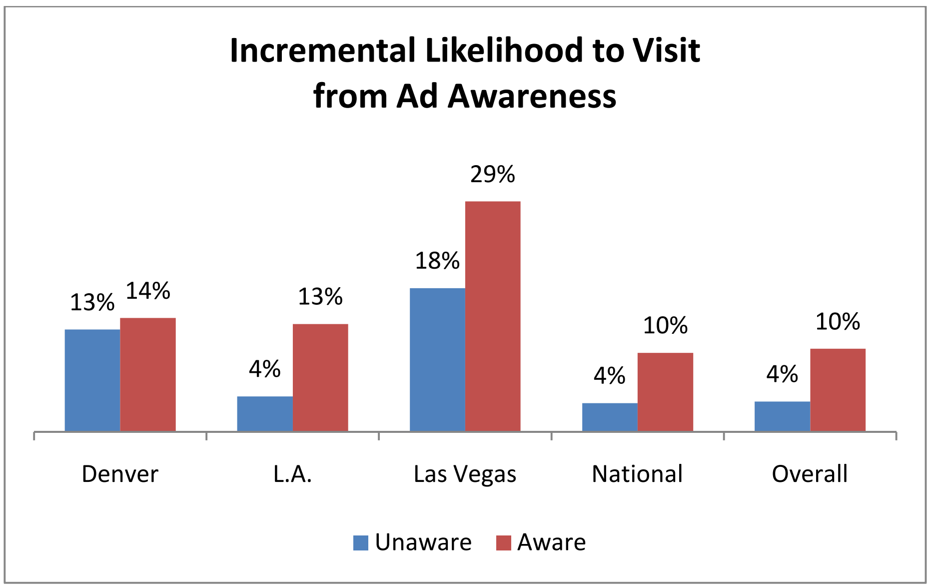
Encouragingly, the ads had a greater impact than last year on all information-gathering behaviors. So while the ads' evaluative ratings decreased, their impact on information gathering actually increased – and information gathering is related to interest in visitation.

Information Gathering	2009 Increment	2010 Increment
Visited state website	5%	12%
Called state 800 number	2%	5%
Requested information using other method	3%	7%
Gathered any information about Utah	10%	19%

It is also good to note that the campaign had a positive impact on likelihood to visit in all target markets. As with information gathering, the overall impact on likelihood to visit is greater than that realized last year when the overall increment was 3%.

The fact that the ads received lower ratings but had a stronger impact on planning and likelihood might seem contradictory. However, last year information gathering and likelihood to visit were depressed by the economic conditions. This year as the economy begins to heal and people are more likely to plan travel, the ads had a greater impact despite the lower ratings.

The 2010 campaign also had a greater impact than the 2009 campaign on likelihood to visit Utah



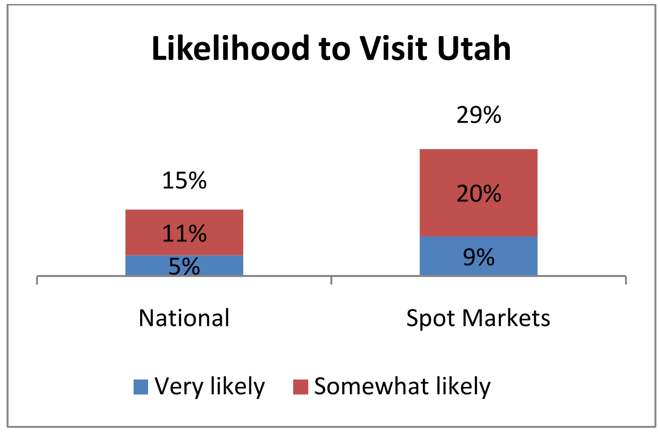
Incremental Likelihood

	2009	2010
Denver	6%	1%
L.A.	7%	9%
Las Vegas	NA	11%
National	3%	6%
Overall	3%	6%

National Cable and Spot Market Strategy Review

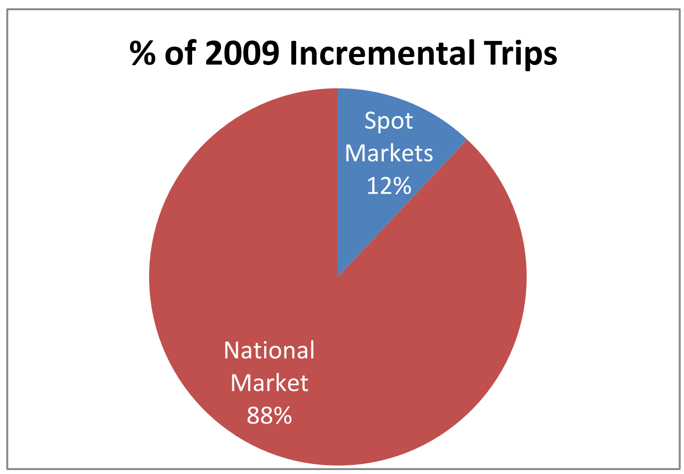
The high cost and potential for thinly stretched reach of the national cable effort warrant an annual strategic review in terms of reach efficiency and audience potential. The national cable effort did generate lower awareness than the spot campaigns, but the large audience results in significantly more households reached. In fact, the quantity of households reached makes up for the larger investment and makes the national cable campaign more reach-efficient than the spot campaign.

	National	Spot Markets
Traveling HHs	74,456,886	5,660,227
TV Awareness	23%	42%
TV Aware HHs	17,222,022	2,363,659
TV Expenditures	$1,468,500	$262,935
TV Cost per Aware HH	$0.09	$0.11



The national cable strategy would not make sense if it reaches a target audience that is not likely to visit or if the ads do not generate interest in visiting. Likely visitation was higher in the spot markets, but a significant portion of the national audience indicated they were considering visiting Utah.

A review of last year's ROI study shows that the large size of the national audience led to 88% of incremental visits coming from outside of the spot markets. This research will again ultimately reveal how many visits are generated from each market, but the national market will almost always produce more incremental trips than the spot markets as long as the ads have a positive impact nationally – simply due to the size of the audience.



SMARI has previously proposed that the spot strategy should be carefully considered, as the national campaign will reach potential visitors in the spot markets. The challenge lies in determining how much to invest in the spot markets to augment the national campaign. The 2010 wave 1 results suggested that a lower spot market investment can actually generate equivalent awareness and thus achieve greater reach efficiency.

	Spot 2009	Spot 2010
Traveling HHs	5,744,438	5,660,227
TV Awareness	41%	42%
TV Aware HHs	2,327,606	2,363,659
TV Expenditures	$636,535	$262,935
TV Cost per Aware HH	$0.27	$0.11

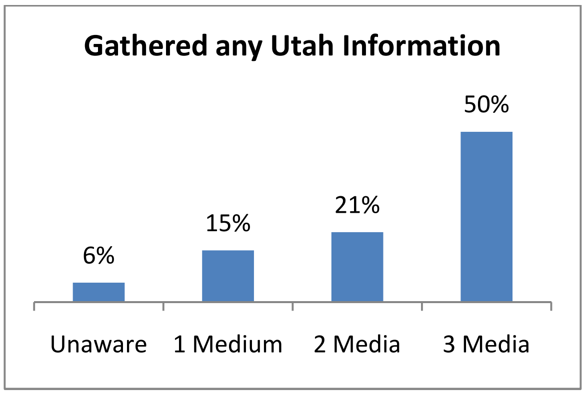
A lower spot market investment generated similar awareness

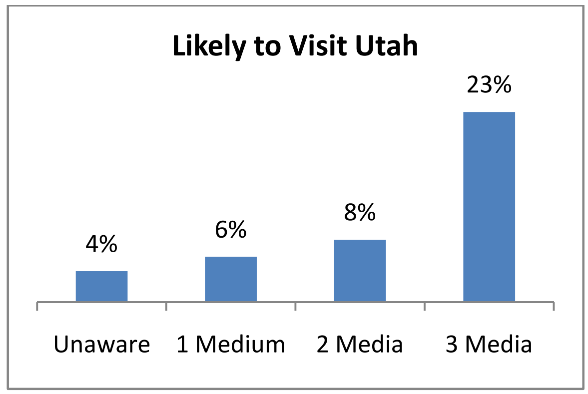
Media Overlap

Given UOT's use of multiple media, another important consideration is the synergy achieved from media overlap. Information gathering and likelihood to visit were compared by the number of media seen to gauge the synergy achieved.

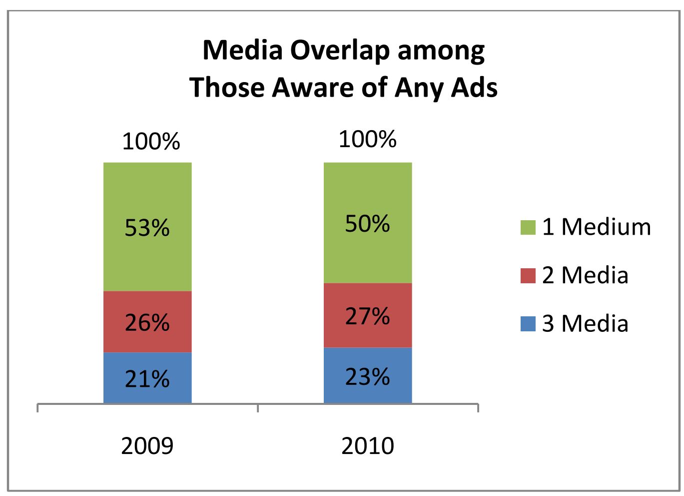
There is a notable synergy achieved when consumers are exposed to all three media – and overlap was slightly stronger this year

It is clear that media overlap had a notable impact on both information gathering and likelihood to visit. The most notable synergy exists when the consumer is exposed to all three advertising media. As observed in 2009, it appears little synergy is achieved from exposure to two media compared to one medium.





This highlights the importance of utilizing three media and placing them in a way that is most likely to achieve overlap. With the continued proliferation of the Internet as a media outlet, it will be important to use web advertising that breaks through the clutter in order to achieve awareness and overlap – which again highlights the previous finding that online video ads are more likely to break through.



It is encouraging that despite the awareness decline, those who did see the ads were slightly more likely to see multiple media. And nearly one-quarter of the aware audience saw all three ads, which as noted is when the strongest synergy is achieved.

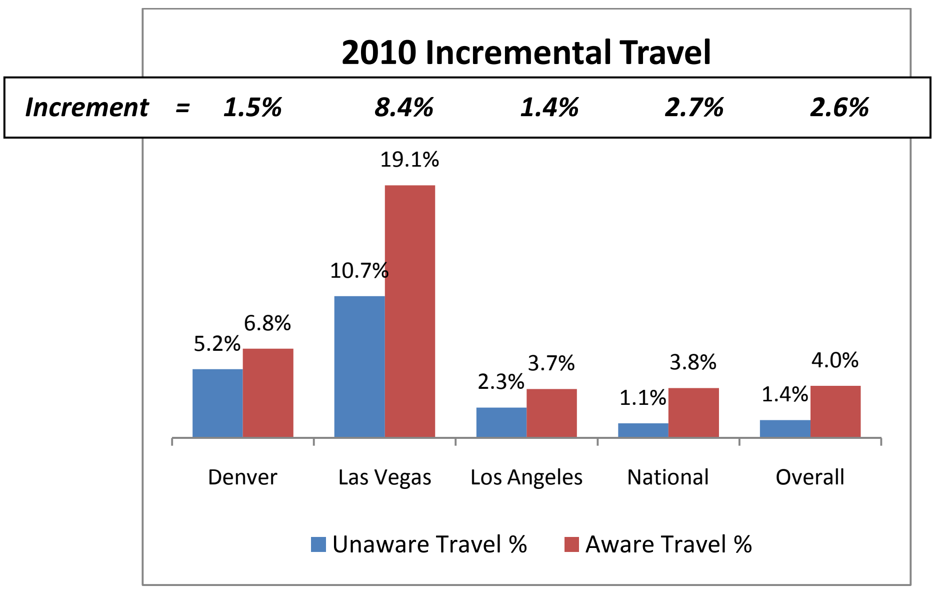
The wave 1 results showed that awareness declined due to removing the online video ads. Despite lower awareness, reducing campaign spending made the 2010 campaign as cost-efficient as the 2009 campaign at reaching target households. The ads did receive lower ratings than last year, but they were still effective at communicating key messages and generating information gathering and likelihood to visit; in fact, the impacts are stronger than in 2009. Additionally, the improving economy has resulted in more leisure travel. Given the ads' impact on generating interest in visiting Utah and the increase in leisure travel overall, we would expect the advertising to have a strong impact on travel. The remainder of this report will reveal the 2010 non-winter campaign performance in terms of influencing Utah travel and generating economic impact and return on the advertising investment.

Advertising Impact

The primary objective of this research effort is to quantify the impact of the Utah non-winter advertising in terms of generating incremental travel, visitor expenditures and return on investment. Incremental travel is determined by comparing the level of Utah travel between the unaware and ad-aware populations. Any additional travel among the ad-aware population is considered incremental, and can be attributed to the advertising. The advertising began airing in April 2010, so only Utah trips that occurred after April are considered when calculating incremental travel. This approach is consistent with previous research efforts.

The 2010 non-winter campaign had a positive impact on Utah travel in all target markets. The overall increment increased from 2009

The 2010 Utah non-winter campaign did influence travel from all target markets. The largest impact occurred in the new Las Vegas market. It appears that the ads wore in quickly and influenced travel from this nearby market. The increment decreased in Denver, but the national market increment increased slightly. This slight in the national market is consistent with the trend of more leisure travel and consumers being more likely to visit destinations farther from home. Overall incremental travel increased from 2.0% in 2009 to 2.6% in 2010.



Market	2009 Increment	2010 Increment
Denver	3.3%	1.5%
Las Vegas	N/A	8.4%
Los Angeles	1.4%	1.4%
National	2.0%	2.7%
Overall	**2.0%**	**2.6%**

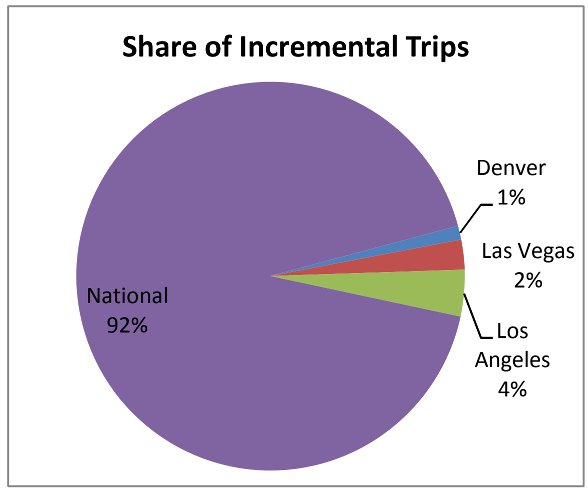
The increment increase in the national market is consistent with recently observed trends of more travel and more distant travel

This year there were more traveling households than in 2009, but awareness dropped significantly, leading to fewer aware households. However, the higher incremental travel percentage in 2010 results in a comparable number of incremental traveling households.

	2009	2010
Traveling HHs	75,956,806	80,117,113
Awareness	52.6%	39.3%
Aware HHs	39,988,153	31,515,501
Incremental Travel %	2.0%	2.6%
Incremental Traveling HHs	810,575	817,046

Despite significantly lower awareness, the 2010 non-winter campaign generated as many incremental visits as the 2009 campaign

Los Angeles produced the most incremental traveling households of any spot market. L.A.'s large population makes up for its relatively low incremental travel percentage. The Denver market produced the fewest incremental traveling households, due to its relatively low level of incremental travel and a much smaller population than Los Angeles. The Las Vegas market had strong incremental travel, but also has the smallest household base. Still, Las Vegas was responsible for twice as many incremental trips as the Denver market. As seen in previous research efforts, the national market is responsible for most incremental Utah trips. Clearly the national cable strategy is key to generating travel, economic impact and return on investment.



	Denver	Las Vegas	Los Angeles	National	Total
Traveling HHs	1,071,355	489,123	4,099,749	74,456,886	80,117,113
Awareness	57.4%	49.5%	54.9%	38.2%	39.3%
Aware HHs	615,276	241,976	2,249,767	28,408,481	31,515,501
Incremental Travel %	1.5%	8.4%	1.4%	2.7%	2.6%
Incremental Traveling HHs	9,501	20,238	31,588	755,719	817,046

Economic impact and return on investment will be evaluated later in the report, but first consider a review of visitor and trip specifics, which can help to explain the overall results of the study and provide strategic direction for future efforts.

Visitor & Trip Specifics

Visitor and trip specifics such as travel party, trip duration, activities and spending are important to review, given they all directly impact the ultimate measures of economic impact and return on investment. Understanding these details can also provide direction for future creative development insofar as ads should include representative travel parties participating in motivating activities.

The Utah non-winter ads should continue to promote both child-friendly and adult activities.

Travel party and trip duration are similar to what was observed among 2009 Utah visitors. The 2010 visitors' trips were slightly longer, but overall there is no major year-to-year change here. Perhaps the most important finding is that about half of Utah travel parties over the past two years include children. This suggests that the advertising creative should continue to promote both child-friendly and adult activities.

	2009	2010
Avg. # people in travel party	2.8	2.7
% of parties with kids	49%	48%
Avg. # of nights spent in Utah	3.0	3.3

Visiting state/national parks, scenic drives and hiking/biking continue to be the primary motivators of Utah travel. The table shows the percentage of Utah visitors who participated in the activity and of those, the percentage who said the activity was a major influence when selecting Utah as a travel destination. The "net" column indicates the total percentage of Utah trips that were motivated by the activity (participate x motivate).

Continuing to leverage Utah's parks, scenery, and hiking opportunities is likely to influence visitation

Activity/Attraction	Participate	Motivate	Net
Visiting a state or national park	38%	67%	25%
Scenic drives through the country	45%	55%	25%
Hiking or biking	35%	65%	23%
Shopping	51%	19%	9%
Wildlife viewing	19%	40%	8%
Rural sightseeing	28%	24%	7%
Visiting historical sites	17%	37%	6%
Visiting quaint small towns	27%	21%	6%
Attending performing arts (music/theater)	10%	44%	4%
Fine dining	22%	18%	4%

New to this 2010 research effort is an analysis of specific Utah destinations visited. In reviewing the data, it made most sense to examine destinations by a visitor's market of origin. Denver residents were most likely to visit the destinations/attractions in eastern Utah, such as Moab and Arches National Park. Additionally, about one-third of Denver residents visited the Salt Lake area.

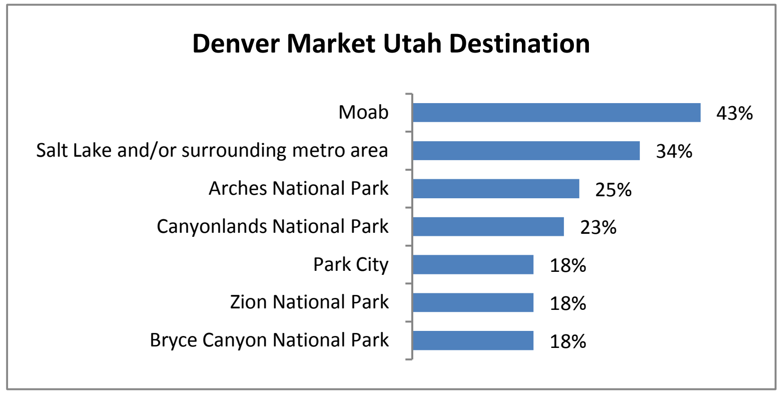
Utah visitors from Las Vegas were naturally more likely to visit southwestern Utah destinations such as St. George, Zion National Park and Cedar City.

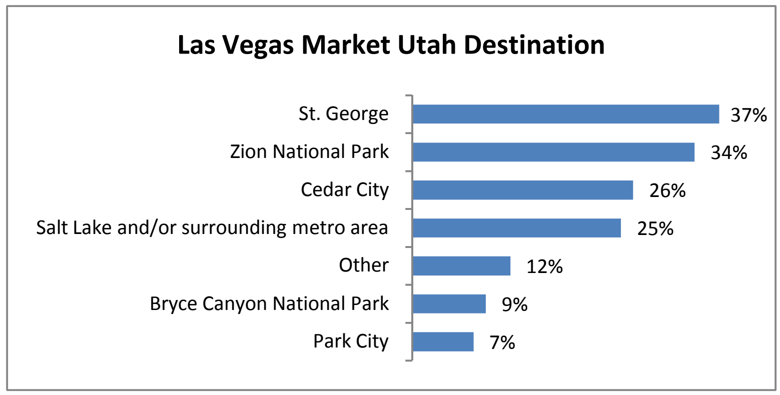
L.A. residents were most likely to visit the Salt Lake area, but they are also likely to choose southwestern Utah destinations.

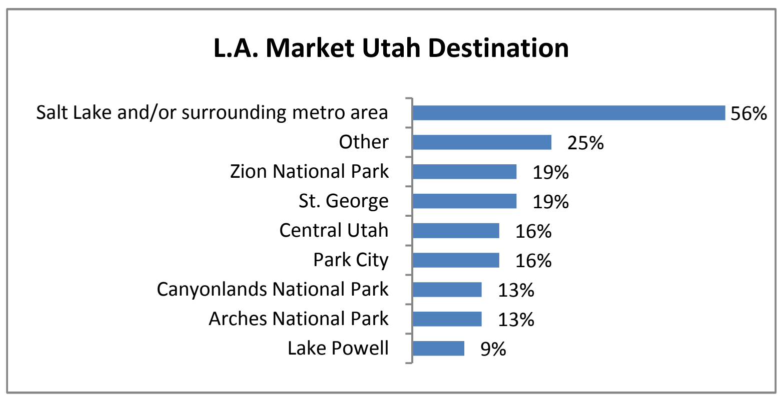
The national market visitors were most likely to go to the Salt Lake area, although this could simply be a case of flying into the Salt Lake City airport. Other than Salt Lake, they were likely to visit Utah's national parks.

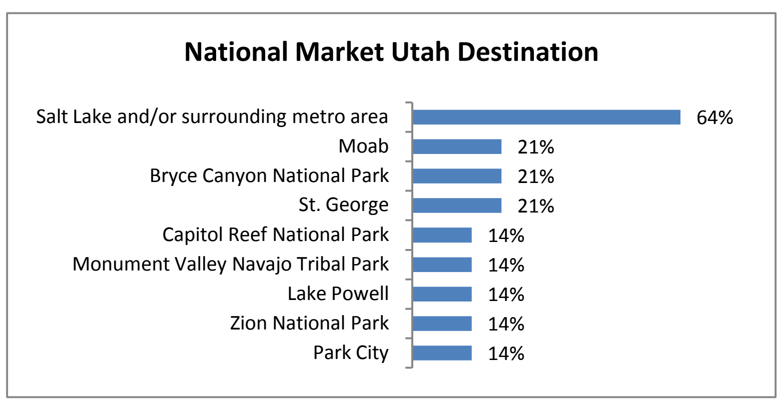
The key takeaway here is that UOT has an opportunity to tailor spot market campaigns by promoting Utah attractions/destinations that those in the spot market are most likely to visit. These potential tailored spot ads could also contain a message about the proximity of the attraction. The current national campaign strategy of promoting Utah's general offerings as opposed to specific destinations should stay in place, but there is certainly an opportunity to create customized spot market advertising.

There is an opportunity to created tailored spot markets ads









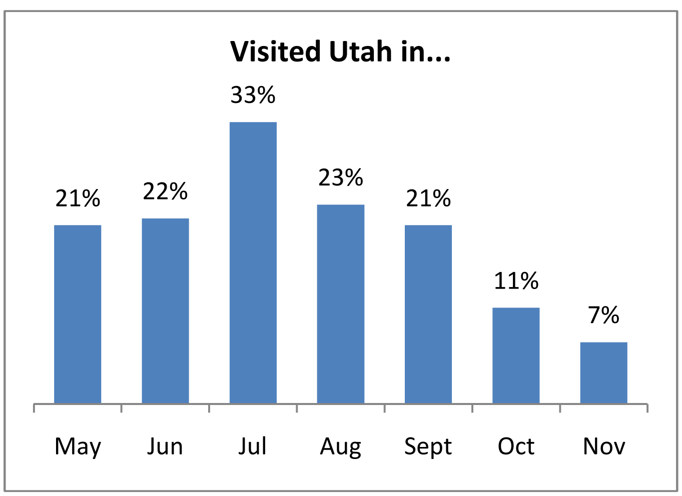
Next consider visitor spending, which obviously has a direct impact on the ultimate research results. Overall visitor spending is lower this year than in 2009. While economy is improving and people are more likely to travel, they are still looking for ways to save money – and more deals are available. Transportation is the only category where spending increased significantly, which makes sense with more trips from the more distant national market.

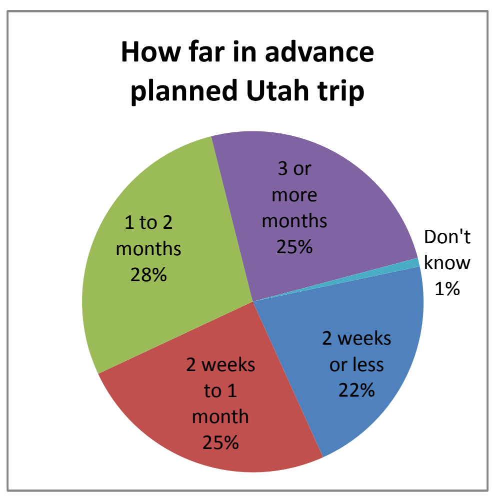
Trip Expenditures	2009	2010
Lodging/Accommodations	$235	$199
Meals/Food/Groceries	$166	$117
Snow skiing/Snowboarding	$20	$16
Other entertainment/ Attractions or recreation	$62	$45
Shopping	$133	$156
Entertainment	$48	$39
Transportation	$189	$229
Other	$19	$11
Total	**$872**	**$811**

Visitor spending was down slightly. Consumers are still looking to save money and more deals are available

Deciding when to air advertising is another important consideration, and evaluating when people visited and how long they planned ahead provide helpful direction. 2010 Utah visits were fairly evenly distributed from late spring to early fall. The duration of trip planning also varies, with some taking two weeks or less and others taking three or more months. Thus, the current advertising plan of airing television in April and May, online from April to June, and print from March to August seems logical, as it catches potential travelers early in the season, and gives those who come later in the season longer to plan.

There is no evidence that media scheduling should be altered





Demographics

Another important advertising decision is demographic targeting. Obviously different publications, websites, and television channels appeal to different demographic groups. The key is placing media in the outlets that are most likely to reach the demographic groups who are more likely to visit Utah.

An opportunity exists to reach a more affluent, educated audience – and those age 25 to 39

The table shows that Utah visitors are more affluent, more educated, more likely in the 25 – 39 age range, and more likely married than non-visitors. The demographic profile of those reached is currently more similar to non-visitors than visitors. The skews are not dramatic enough to cause concern with current targeting efforts, but this does suggest an opportunity exists to reach a more affluent, educated audience – and those aged 25 to 39.

Demographics	Utah Visitor	Non-Visitor	Reached with Advertising
Less than $50K	39%	43%	44%
$50K to $100K	43%	41%	42%
Over $100K	19%	15%	15%
Not college grad	50%	54%	54%
College grad or advanced degree	50%	46%	46%
Under 25	7%	10%	9%
25 - 39	40%	27%	17%
40 - 54	20%	30%	25%
55 - 69	25%	27%	40%
70 +	8%	6%	8%
Single	27%	40%	36%
Married	65%	52%	54%
Any kids at home	35%	34%	28%

Economic Impact & ROI

The ultimate goal of the UOT non-winter advertising is to generate economic impact and a return on the advertising investment. Thus far we have uncovered that the advertising did generate incremental trips, and now we will translate that into travel revenue generated and ROI.

In total, about 817,000 Utah trips can be attributed to the 2010 UOT non-winter advertising campaign. With average visitor expenditures of $811, the economic impact generate is about $662 million.

2010 non-winter UOT advertising generated $662 million in travel

	2008	2009	2010
Incremental Trips	521,469	810,575	817,046
Avg. Trip Expenditures	$1,095	$870	$811
Economic Impact	$571,151,269	$705,446,181	$662,419,466

The economic impact generated in 2010 is slightly lower than the 2009 figure, but UOT spent significantly less on advertising this year. The ultimate result is that the UOT generated $277 for every $1 spent on non-winter advertising, a much stronger ROI result than last year.

The UOT efforts returned $277 in revenue for every dollar spent on advertising…

	2008	2009	2010
Economic Impact	$571,151,269	$705,446,181	$662,419,466
Media Expenditures	$3,992,543	$3,175,839	$2,394,383
Return on Investment	$143	$222	$277

Using a state tax rate of 4.7% and a local tax rate of 3.25%, the 2010 campaign generated about $31 million in state tax revenue and nearly $22 million in local tax revenue. Ultimately the advertising generated $13 in state tax revenue and $9 in local tax revenue for every dollar spent on advertising, which are also stronger than what was achieved last year.

As well as $13 in state tax revenue and $9 in local tax revenue for every dollar spent on advertising

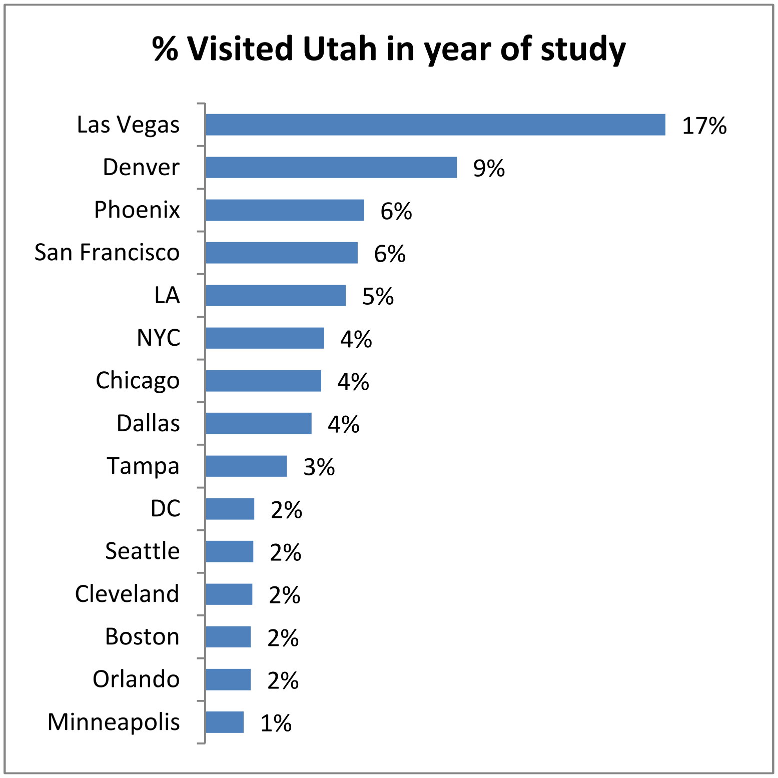
	2008	2009	2010
State Tax Revenue	$26,851,840	$33,165,519	$31,142,681
State Tax ROI	$7	$10	$13
Local Tax Revenue	$18,570,147	$22,936,549	$21,537,598
Local Tax ROI	$5	$7	$9

Market Analysis

UOT was interested in exploring where Utah visitors come from. The results of this research effort showed that UOT generated about 60,000 trips from the spot markets and about 750,000 from the national market – but which "national" markets are most likely to visit Utah? To explore this, as well as visitation out of UOT's spot markets, SMARI compiled data from the 2007 to 2010 UOT ROI studies to ensure adequate representation of these individual "national" markets.

UOT's selected spot markets show the strongest levels of Utah travel

The clearest way to consider visitation from individual markets is the percentage of people from each market who visited Utah in the year of the study. Other approaches, such as the distribution of markets visiting or incremental travel from individual markets are constrained by sample bias and/or inadequate sample size.



Las Vegas stands out for having the highest percentage of residents who visited Utah. It was previously reported that Las Vegas had the highest incremental travel percentage this year. It seems that the decision to target this market is sound, although the high level of unaware travel might make generating an increment difficult as the market eventually becomes saturated.

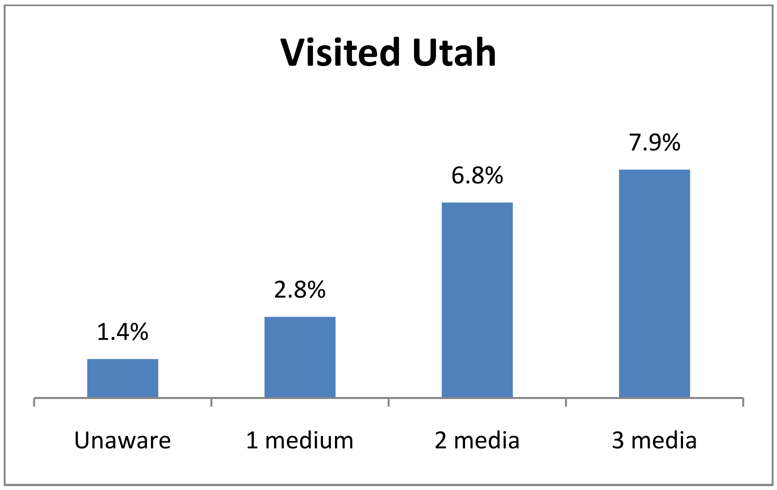
UOT's other 2010 spot markets of Denver and Las Vegas also have relatively high levels of Utah travel. It seems UOT has chosen spot markets wisely in terms of their propensity to visit Utah. The Phoenix market, which has been a question mark for UOT, is one of the top markets in terms of Utah travel. When UOT targeted Phoenix with the 2009 non-winter campaign, a relatively strong increment was achieved. While there is some speculation about the potential that Phoenix offers, SMARI's data suggests this markets is a valid candidate for targeting efforts – and of course this market is reached with the national cable efforts.

Phoenix does show some potential as a spot market

Some of the markets not targeted with spot advertising that generate Utah travel include San Francisco, New York City, Chicago and Dallas. These markets are of coursed reached with the national cable efforts, but some spot advertising could be considered.

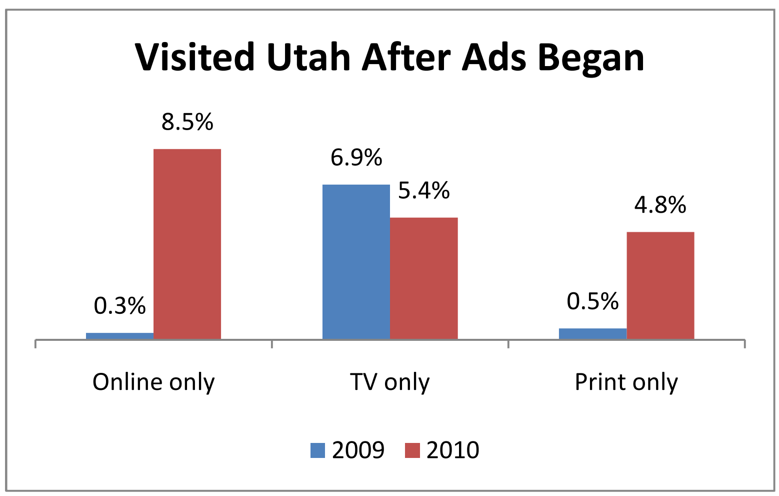
Media Analysis

Past research has shown that notable synergies are achieved when the target audience is exposed to multiple media. The results this year are no different, with those who saw two or three media having significantly higher levels of Utah travel than those who saw just one medium. Clearly UOT should continue to employ multiple media campaigns and place media in a way that is likely to result in overlap.



It is important to use multiple media and place ads in a way that is likely to achieve overlap

In addition to media overlap, we can also explore the impact of individual media. The 2009 research suggested that those exposed to only TV had significantly higher rates of Utah travel than those exposed to only print or only online advertising. This year the results are quite different, with those exposed to only the online ads having the highest level of Utah travel – and the impact of only print is higher than last year. The impact of TV only is down slightly. While these results are not conclusive and the impact of individual media should be monitored in future efforts, they do speak to a potentially growing influence of online advertising. The use of online video ads in 2009 resulted in strong awareness of this medium. These impact results suggest that bringing online video ads back could prove valuable.



The influence of online advertising could be increasing. UOT should consider using online video ads again.